

## Message Text

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PAGE 01 TEGUCI 00836 01 OF 02 272028Z

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ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 SPC-03 SAM-01 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 PA-04 PRS-01 USIA-15 L-03 COME-00 DRC-01 /144 W

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R 271837Z FEB 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6416

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 TEGUCIGALPA 0836

E.O. 11652: GDS

TAGS: PINT, HO

SUBJECT: CRITICISM OF GOH REFORM PLANS

REF: TEGUCIGALPA 0687

SUMMARY: GOH HAS RECENTLY BEEN EXPERIENCING REPEATED ATTACKS ON ITS PROGRAMS, PARTICULARLY IN THE AREA OF AGRARIAN REFORM. MEDIA COVERAGE HAS OFTEN BEEN CRITICAL BUT HAS RECENTLY TENDED TO BECOME MORE SHRILL IN ITS CONDEMNATION OF ACTUAL OR SUPPOSED GOVERNMENT ACTIONS. VARIOUS LEADERS OF THE PRIVATE SECTOR AND THE BULK OF THE POLITICAL PARTY LEADERSHIP ARE LEADING THE ATTACK BECAUSE THEY SEE THE REFORMS AS A THREAT TO THEIR ECONOMIC INTERESTS OR AS A WAY OF EMBARRASSING THE GOVERNMENT. GOH IS MOVING TO DEFUSE SUCH CRITICISMS BY NEW CONSULTATIONS WITH PRIVATE SECTOR AND BY COOPTING IT INTO CURRENT EXERCISE OF REDRAFTING AGRARIAN REFORM PROJECT.  
END SUMMARY.

1. ROBERTO RAMIREZ, PRESIDENT OF THE SUPREME COURT

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PAGE 02 TEGUCI 00836 01 OF 02 272028Z

AND A LANDOWNER, SPOKE TO A ROTARY CLUB MEETING IN

SAN PEDRO SULA ON FEB 20 AND DISCUSSED THE DRAFT AGRARIAN REFORM LAW THAT HAD BEEN SUBMITTED TO THE CABINET IN MID-JANUARY BY THE NATIONAL AGRARIAN INSTITUTE (INA). HE EMPHASIZED THAT THE PROPOSED AGRARIAN REFORM LAW IS THE TYPE OF LEGISLATION ADOPTED BY COMMUNIST REGIMES BECAUSE IT DESTROYS THE RIGHT OF PRIVATE PROPERTY. HE PREDICATED THAT THE SUPREME COURT AND OTHER HONDURAN INSTITUTIONS WOULD EVENTUALLY DISAPPEAR IF THIS TYPE OF LEGISLATION IS ADOPTED. THE PRESS IMMEDIATELY TOOK UP THE CRY AND A FLURRY OF EDITORIALS AND FRONT-PAGE COMMENTARIES APPEARED TO SUPPORT RAMIREZ'S DECLARATIONS. SUBSEQUENTLY, MARIO PONCE CAMBAR, DIRECTOR OF INA, ISSUED A STATEMENT ASKING RAMIREZ WHETHER HE MADE COMMENTS AS A PUBLIC OFFICIAL OR AS A LANDOWNER.

2. A JAN 30 STATEMENT OF THE HONDURAN COUNCIL OF FREE ENTERPRISE (COHEP) ADDRESSED TO CHIEF OF STATE LOPEZ APPEARED IN THE FEB 23 PRESS. THE DECLARATION SUPPORTS THE NEED FOR A NATIONAL DEVELOPMENT PLAN AIMED AT DEVELOPING THE AGRICULTURAL, MINING AND INDUSTRIAL SECTORS OF THE ECONOMY. HOWEVER, IT EMPHASIZES THAT COHEP HAS NOT SEEN THE ENTIRE PLAN AND CANNOT, THEREFORE, MAKE ANY FINAL JUDGMENT ON ITS OVERALL IMPACT. THE MAJOR FOCUS OF THE DECLARATION IS THE INA-PREPARED AGRARIAN REFORM DRAFT WHICH IT ATTACKS ON A DETAILED BASIS AS BEING INCOMPATIBLE WITH THE REALITIES OF THE HONDURAN SITUATION. IN ADDITION, IT CRITICIZES THE METHOD USED BY THE GOVERNMENT WHEN IT PUT DECREE 103 (LEGISLATION AFFECTING LUMBER INDUSTRY) INTO EFFECT WITHOUT CONSULTING THE PRIVATE SECTOR AND CALLS FOR CONSULTATION WITH THE GOVERNMENT ON ALL SUCH DECREES BEFORE THEY ARE ANNOUNCED. THE DECLARATION ALSO POINTS OUT THAT A RADICAL AND VIOLENT SOCIO-ECONOMIC CHANGE COULD CAUSE CONCERN IN THE OTHER COUNTRIES OF CENTRAL AMERICA AND DAMAGE FREE ENTERPRISE INTERNALLY. LUIS BOGRAN FORTIN, A NATIONLIST PARTY MEMBER AND A CATTLEMAN, INFORMED AN EMBOFF THAT HE HAD DRAFTED THE DECLARATION.

CONFIDENTIAL

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PAGE 03 TEGUCI 00836 01 OF 02 272028Z

3. ALTHOUGH GOH AS USUAL IS SOMEWHAT WEAK IN ITS PROPAGANDA REBUTTALS, IT HAS TAKEN TWO IMPORTANT STEPS TO BUCK CHRONICALLY JITTERY BUSINESS SECTOR:

(A) MINECON BENNATON SPOKE TO THE CHAMBER OF COMMERCE OF CORTES IN SAN PEDRO SULA ON FEB 20 IN AN ATTEMPT TO REASSURE THE PRIVATE SECTOR ABOUT THE GOVERNMENT'S INTENTIONS. HE STATED THAT HE IS A DEFENDER OF PRIVATE ENTERPRISE, WISHES TO HAVE A

CONTINUAL DIALOGUE WITH THE PRIVATE SECTOR AND LISTENED TO THE COMPLAINTS OF SOME LEADERS WHO ATTENDED THE MEETING. LA PRENSA PUBLISHED AN EDITORIAL FEB 25 WHICH LAUDED BENNATON'S DESIRE TO CONFER WITH THE PRIVATE SECTOR ON MATTERS AFFECTING THE ECONOMY. HOWEVER, THE EDITORIAL BITTERLY ATTACKED THE "POPULISTS AND DEMAGOGUES" IN THE GOVERNMENT WHO ARE LEADING THE COUNTRY TO RUIN WITH MEASURES SUCH AS THE INA AGRARIAN REFORM PROPOSAL. IT CALLS ON THE ARMED FORCES TO "CLEAN OUT" THE GOVERNMENT SO THAT FAITH CAN BE RESTORED IN ITS ACTIONS AND PLANS.

(B) BEGINNING LAST WEEK NEW DRAFTING COMMITTEE BEGAN WORK TO REWRITE AGRARIAN REFORM PROPOSALS. IT IS HEADED BY NATURAL RESOURCES SUBSECRETARY RAFAEL CALLEJAS AND INCLUDES FERNANDO LARDIZABAL, PRESIDENT OF FENAGH. CALLEJAS' FATHER PRECEDED LARDIZABAL AS PRESIDENT OF CATTLEMEN'S ASSOCIATION, AND HIS CONSERVATIVE BONA FIDES HAVE NEVER BEEN IN DOUBT. NEITHER GOH NOR PRIVATE SECTOR HAS PUBLICIZED THIS ARRANGEMENT AS YET.

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PAGE 01 TEGUCI 00836 02 OF 02 272031Z

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C O N F I D E N T I A L SECTION 2 OF 2 TEGUCIGALPA 0836

COMMENT: ALTHOUGH THE MUCH MALIGNED INA DRAFT HAS LONG BEEN BYPASSED, AND THE OPPOSITION KNOW THIS, THEY

CONTINUE TO FOCUS ON IT AS AN IRRESISTIBLE TARGET.  
RAMIREZ' OPPOSITION (AND A MUTUAL ESTRANGEMENT BETWEEN  
HIM AND THE GOVERNMENT) BEGAN IN EARLY 1973 WITH IMPL-  
MENTATION OF DECREE NO. 8. HIS ATTITUDE IS WIDELY  
BELIEVED TO REST ON FEARS, NOT THAT HIS LARGE  
TOBACCO HOLDINGS IN THE JAMAISTRAN VALLEY WILL BE  
CONDEMNED AS UNPRODUCTIVE, BUT THAT THE FORTHCOMING  
LAND REREGISTRY WILL EXPOSE THEM AS BEING POORLY  
TITLED TAKEOVERS OF COMMUNAL OR GOVERNMENT TERRITORY.

INTENSIFIED GOH CULTIVATION OF PRIVATE SECTOR  
AND INVOLVEMENT OF THIS GROUP IN DRAFTING OF NEW  
LAND REFORM LAW FOLLOW EARLIER ANNOUNCED INTENTIONS  
OF GEN LOPEZ AND KEY MINISTERS (REFTEL). EMBASSY  
AND AID OFFICERS HAVE RECENTLY ENCOURAGED SUCH MOVES  
IN DISCREET BUT POINTED CONVERSATIONS WITH CABINET  
OFFICIALS.  
SANCHEZ

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Concepts:** ECONOMIC DEVELOPMENT, EXPORTS, AGREEMENT DRAFT, LAW, GOVERNMENT REFORM, FOREIGN INVESTMENTS, INVESTORS, PARTY LEADERS, POLITICAL LEADERS  
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**Copy:** SINGLE  
**Draft Date:** 27 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
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**Page Count:** 4  
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**Previous Handling Restrictions:** n/a  
**Reference:** TEGUCIGALPA 0687  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2002 by kelleyw0>; APPROVED <09 DEC 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CRITICISM OF GOH REFORM PLANS  
**TAGS:** PINT, HO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005